



FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES  
COMMISSIONER ADAM H. PUTNAM

---

February 20, 2012

CERTIFIED MAIL RETURN RECEIPT REQUESTED

The Honorable Sanna Henderson  
Mayor, City of Leesburg  
501 West Meadow Street  
Leesburg, Florida 34748

RE: Grant Number: #17619 (Formerly #ARE024)  
Procurement Monitoring Report

Dear Mayor Henderson:

The Office of Energy has conducted a desk monitoring of this project. This letter, which contains three "findings" and no "concerns", is a summary of our review. Monitoring is based on a sample of activities according to applicable statutory and regulatory objectives and rules. The following area was monitored:

1) Procurement (Professional Services)

A "finding" is a specific issue of noncompliance with the grant agreement, federal or state regulatory requirements. Please be aware the grant agreement (paragraph 10) requires Recipients to respond to a "finding" by submitting a Corrective Action Plan (CAP) within ten (10) business days from receipt of this report. Also, failure to correct the deficiency after thirty-five (35) working days from the receipt of this report may result in a determination of breach of Agreement and termination of services.

The following is a summary of the results of our review:

Procurement (Professional Services)

Procurement of federally-funded contracts, must comply with applicable federal procurement regulations and state laws. The principal federal procurement regulation is contained in 10 CFR 600. Procurement of certain professional services is also subject to 287.055, Florida Statutes, (also known as the Consultants Competitive Negotiation Act, or CCNA).

The selection of General Electric Company for smart grid meters and installation was reviewed. There is one finding.

Finding One: There is no evidence that the City encouraged the use small businesses, including minority, woman and service-disabled veteran-owned businesses as subcontractors or sub-vendors as stated in paragraph 18C of Grant Agreement 17634.



Required Action: This is an incorrectable finding. However, any future procurement related to the grant must comply with the federal and state requirements of the program. Failure will result in the contract being ineligible to be paid with grant funds.

Finding Two: There is no evidence the City obtained certification from the vendor that all equipment purchased for this project is in compliance with the ARRA Buy American Act.

Required Action: To clear the finding, letters from the manufacturer(s) for all equipment and supplies purchased under the grant stating compliance with the Buy American Act must be submitted to the Office of Energy for review.

Finding Three: The proposed contract lacks clauses required by Chapter 287, Florida Statutes and 10 CFR 600. The following clauses are not in the contract:

- Termination for cause or convenience
- Access to records by the grantee, State/Federal agencies, and their representatives
- Retention of records for five years
- Immigration and Nationality Act (Section 274A(e))
- Davis Bacon Act Compliance include proper Wage Determination

Required Action: To clear the finding, the contract must be amended to include the required clauses. Copies of the executed amended contract must be submitted to the Office of Energy for review.

Notwithstanding the above mentioned finding, the Energy Office approves this procurement.

Please be aware that this report does not relieve your jurisdiction of its obligation to continue to administer the grant according to federal and state administrative rules and regulations, and sound management practices. If applicable, please direct your written response to this monitoring report to the following:

April Groover  
Office of Energy  
Florida Department of Agriculture & Consumer Services  
600 South Calhoun Street, Suite 251  
Tallahassee, Florida 32399-1300

If you have questions or if further information is required please call me at (850) 487-3800.

Sincerely,



Alexander Mack  
Program Administrator

AM/ag

cc: Paul Kalv, Electric Director